



10 December 2021

Circular to intermediaries

SFC and HKMA joint product survey 2021

As an annual exercise to collect information about the selling activities of intermediaries in Hong Kong, the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) will launch their second joint survey of the sale of non-exchange traded investment products by licensed corporations (LCs) and registered institutions (RIs) that are licensed or registered for Type 1 or 4 Regulated Activity (collectively, Reporting Intermediaries). The survey will cover the period from 1 January to 31 December 2021.

Scope

The survey covers the sale of non-exchange traded investment products, such as collective investment schemes, debt securities, structured products, swaps, swaptions and repos, to individual professional investors¹, certain corporate professional investors (where intermediaries cannot rely on a waiver of the suitability obligation)² and investors other than professional investors (collectively, In-scope Clients).

Transactions by institutional professional investors³ and corporate professional investors for which intermediaries have been exempted from the suitability obligation are outside the scope of this survey.

Survey questionnaire

The questionnaire includes three parts:

- **Part A - General information**

All Reporting Intermediaries should complete Part A to provide their contact information and indicate whether they sold any reportable non-exchange traded investment products to In-scope Clients during the reporting period.

- **Part B - Information on the sale of non-exchange traded investment products**

Reporting Intermediaries which sold reportable non-exchange traded investment products to In-scope Clients during the reporting period should also complete Part B to provide an overview of their selling activities, such as the transaction amount by type of investment product, the top issuers of investment products sold and the type of client.

¹ Individuals falling under section 5 of the Securities and Futures (Professional Investor) Rules (Cap 571D) (PI Rules).

² Trust corporations, corporations or partnerships falling under sections 4, 6 and 7 of the PI Rules, other than those for which the intermediaries have been exempted from the suitability obligation under paragraph 15.4 of the Code of Conduct for Persons Licensed by or Registered with the SFC.

³ Persons falling under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap 571).

- **Part C - Supplementary information**

Reporting Intermediaries that are LCs with total transaction amounts of HK\$1 billion or above during the reporting period or RIs with total transaction amounts of HK\$30 billion or above should also complete Part C, which collects information such as the transaction amount of investment products by type of investor and details of the top five investment products sold.

Reporting timeline

All Reporting Intermediaries should submit the completed questionnaires to the SFC through [WINGS](#)⁴ on or before the following dates:

Reporting Intermediaries completing Part A only	28 January 2022
Reporting Intermediaries completing Part A and Part B only	25 February 2022
Reporting Intermediaries completing Part A, Part B and Part C	11 March 2022

The questionnaire in Excel format, guidance notes and completion instructions are now available in WINGS. Please read the notes and instructions before completing the questionnaire.

This survey will enable the SFC and HKMA to better understand the industry landscape and market trends, supervise the selling practices of intermediaries and coordinate their responses to address areas of common concern. All information collected from the survey will be treated in strict confidence and will not be disclosed to any other third party, except as anonymised, aggregated statistics.

Should you have any queries regarding the contents of this circular, please contact Ms Michelle Mak at the Intermediaries Supervision Department of the SFC at 2231 1707 or your case officer. For technical assistance with using WINGS, please contact the hotline at 2207 9333 or write to TechEnquiries@wings.sfc.hk.

Intermediaries Supervision Department
Intermediaries Division
Securities and Futures Commission

Banking Conduct Department
Hong Kong Monetary Authority

End

SFO/IS/036/2021
HKMA/B1/15C

⁴ WINGS, which stands for Web-based INteGrated Service, is an online portal for making electronic submissions to the SFC.